



# Arizona School Facilities Board

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Governor of Arizona  
Jane Dee Hull

June 14, 2002

Interim Executive Director  
Dr. James E. Jurs

Dear Superintendent:

Beyond the information contained in this month's newsletter, there is an important need to update you on the status of the technology initiative. As you know, there has been a pause in the implementation of the project while cost factors are closely examined. I have asked the Arizona State Procurement Office to review several elements of the business relationship between the School Facilities Board and Qwest with attention given to professional services, overhead charges, uplifting charges, maintenance charges and travel expenses. Additionally, the Governor's Office has requested the Attorney General's Office to examine the contract and billing to date to make sure the state's interests are protected.

At its meeting on June 6 in Flagstaff, the School Facilities Board did not authorize additional spending authority for Qwest above the approved maximum of \$100 million, in effect extending the pause initiated by Qwest on May 23. This temporary delay will allow these state agencies to complete the requested reviews. I have written to the agencies and requested an expedited response, hoping to provide updates to the SFB by the next board meeting. At that time, the board hopes to make a decision on the future of the implementation phase of the project.

It is important to know that this pause does not include a re-examination of the need for the project. The technology standards have been set and will be met in all of Arizona's K-12 public schools. **The School Facilities Board has a firm commitment to the project, and it will be completed by the end of the deficiency correction program.** This temporary delay is required to ensure that contract obligations are met and not exceeded while expenditures from state funds are closely monitored. We need to know that we are getting what we pay for and what we pay for is consistent with the intended scope of the project.

Elsewhere in this newsletter you will find information about several bills passed during the recently completed Legislative session. I want to highlight four sections of H.B. 2710, the Omnibus Budget Reconciliation – Education Bill that became law on June 7, 2002.

1. Consistent with Section 63 of the bill, the deadline for consideration of new supplemental deficiency correction projects was May 10, 2002. This means it is no longer possible for the SFB to consider additional deficiency correction projects. As a result, the SFB is no longer accepting requests for supplemental deficiency projects and any submissions will be returned without reviewing for applicability or potential deficiency.

2. Section 42 extended the timeframe for completion of SFB deficiency correction projects to June 30, 2004. While projects must commence prior to June 30, 2003, this extension provides one additional year to complete the actual work. The word “commence” has been defined as an award of the construction contract with formal (written) approval of the SFB.
3. “Lease to Own” was included with Section 35. This financing method will provide the funding needed to complete new construction projects during the next two fiscal years. The specifics of the method are currently being determined and will allow new schools to be completed according to established schedules.
4. New district reports were created consistent with the following summary:
  - Section 33 requires districts to develop preventive maintenance guidelines by October 1, 2002. Additionally, the section requires SFB approval of those plans by February 1, 2003.
  - Section 38 requires districts to develop a comprehensive five-year plan for the use of Building Renewal funding by October 15, 2002.
  - While not a new requirement, the deadline for districts to complete their Capital Plans has been changed to September 1 starting in 2002.

You will find more detailed information on these legislative actions at the end of this newsletter.

The staff of the School Facilities Board continues to make excellent progress towards the goal of completing all 6218 deficiency correction projects in a timely manner. Needed space is being provided in a timely manner in those locations that qualify under the established formula. The technology project will resume and be completed. This bold initiative will prove to be a watershed event in the improvement of Arizona’s K-12 public education. Thank you for your continued assistance and cooperation.

As you may know, I have resigned from my position with the School Facilities Board. I am pleased to inform you that Governor Hull has appointed SFB Deputy Director Edward Boot to become the interim executive director effective Monday, June 17, 2002. Ed possesses the institutional knowledge and management skills necessary to lead the SFB to a successful completion of its massive assignment. He will be able to begin his new responsibilities at full speed and has already given consideration to several initiatives that will allow the agency to operate with an increased level of effectiveness.

Thank you for the courtesy you have shown me during my brief tenure with the SFB.

Sincerely,

James E. Jurs

James E. Jurs, Ed.D.

## Status of Deficiency Corrections Projects

The table below shows the status of the 6218 deficiency projects as of May 15, 2002. As you can see, 50.80% is in design, 18.51% is in the bid process, and 27.5% is in some stage of construction or completed. We expect architects and engineers to complete the balance of their projects over the next several months.

As of May 15, 2002

Total Number Of Projects	On Hold	In Design Process	In Bid Process	Under Construction	Completed
6218 100%	197 3.17%	3159 50.80%	1151 18.51%	964 15.50%	747 12.01%

## Networking Update

The following chart provides a general status of the networking project.

As of June 13, 2002

Total Number Of Projects	Yet To Be Started	In Design Process	In Implementation Process	In Close Out Process
1482 100%	258 17.41%	370 24.97%	321 21.66%	533 35.96%

Visit the Qwest SFB Project website at <http://schools.gosfb.org> for the latest project information on each district and school, overall project status, and status by wiring installation contractor (WIC). The website is updated daily, and you should find it very easy to use. The username is "status" and the password is "goqwest." If you have any questions or experience any problems using the website please contact Qwest's IT guru Ben Whitehorn at (602) 512-2600 or [ben.whitehorn@qwest.com](mailto:ben.whitehorn@qwest.com).

## Application Service Provider Update

The Cox Education Network (CEN) Deployment Team has successfully deployed 1250 schools and over 483,000 users in Arizona. Deployment began in December 2001 with model schools. The original schedule called for completion by August 1, 2002. The goal was met on May 22, 2002 - 9 weeks ahead of schedule!

Although usernames and passwords have been issued to districts, many districts have yet to distribute them or allow access to the desktop; some districts have determined that access will be granted in the fall. Generic usernames and passwords were given to schools that have not provided district specific information. Transition from generic usernames to district specific usernames is ongoing.

The daily usage has been increasing by 25% every month; the number of hits to the desktop in May averaged 31,000 hits a day. Usage is higher in the evening hours with peak usage at 4:00 p.m. The number of unique users has also increased steadily as deployment & awareness increase.

For more information about the ASP project, please visit Cox Education Network website at [www.CoxEdNet.org](http://www.CoxEdNet.org).

### Legislation Review

The Legislature made several changes to the Students FIRST statutes during the last legislative session. A brief description of a few of those changes is provided below. For complete copies of bills and bill summaries, please visit [www.azleg.state.az.us](http://www.azleg.state.az.us).

HB 2096 If a district's capital plan indicates that the district will tuition 350 students or more, the tuitioning district, the receiving district, and the School Facilities Board must develop a capital facilities plan on how best to serve those pupils.

SB 1060 If a unified district does not currently have high school space, it is not eligible to receive state funding to build high school space unless the district qualifies under the geographic exception policy. This change is retroactive to January 1, 2002.

### HB 2710

#### *Deficiencies Corrections*

- Delays, from June 30, 2003 until June 30, 2004, the repeal of statutes regulating deficiencies corrections, except that these statutes as applied to deficiencies corrections of the Arizona School for the Deaf and Blind (ASDB) remain in effect until the deficiencies are completed.
- Requires ASDB facilities to be assessed for deficiencies corrections by December 31, 2002.
- Subjects funding for ASDB deficiencies corrections to legislative appropriation.
- Prohibits the School Facilities Board (SFB) from distributing deficiencies corrections monies for projects commenced after June 30, 2003 or approved after May 10, 2002.

#### *Building Renewal*

- Directs the State Treasurer to disregard instructions from the SFB regarding transfers from the state general fund to the building renewal fund for FY 2002-2003, and instead requires the Treasurer to transfer only \$38.3 million for the fiscal year.
- Requires school districts to submit by October 15 a comprehensive five-year plan that details the proposed uses of building renewal monies.

- Disqualifies, beginning July 1, 2002, school districts from receiving building renewal monies for buildings to be replaced by buildings constructed with deficiencies corrections monies. Replacement buildings are not eligible to receive funding until one year after completion of the building.
- Suspends, effective July 1, 2002, the building renewal formula for FY 2002-2003 and FY 2003-2004. Expresses legislative intent that monies necessary for school facilities to meet the academic standards will be provided from deficiencies corrections funds, which repeal July 1, 2004. Also expressed is intent that facilities and equipment necessary for students to meet the academic standards are exclusively those addressed in the minimum guidelines.

#### *Routine Maintenance*

- Requires each school district to submit guidelines for the routine preventative maintenance of its facilities by October 1, 2002 to the SFB and for approval by the SFB by February 1, 2003.
- Requires the SFB in its five year inspecting of school facilities to include compliance with preventative maintenance guidelines.
- Authorizes a school district to use eight percent of its annual building renewal allocation for routine preventative maintenance, but such monies may not supplant maintenance expenditures from other sources. Defines routine preventative maintenance, and requires the SFB to provide examples of services that meet the definition.
- Requires a school district to use the building renewal eight percent set aside for preventative maintenance if the SFB finds during an inspection that the district has not adequately maintained its facilities pursuant to its adopted guidelines.
- Requires the Auditor General to prescribe a method for determining a district's compliance with the non-supplanting requirements. Requires school districts, as part of a financial audit, to contract for an independent audit to determine whether supplanting has occurred. Authorizes the Auditor General to conduct discretionary reviews of districts not required to contract for an independent audit.

#### *New School Facilities*

- Directs the State Treasurer to disregard instructions from the SFB with regard to transferring any monies from the state general fund to the new school facilities fund for FY 2002-2003.
- Requires a school district to return any surplus new school facilities monies to the SFB for deposit into the new school facilities fund, unless the SFB determines that the monies have been used on capital projects completed with quality products.
- Requires a school district that uses its own project manager for new school construction to have its governing board and the project manager sign an affidavit that they will follow the minimum adequacy requirements.

- Requires the SFB to submit information regarding demographic assumptions, proposed construction schedules and new school construction costs for the following fiscal year to the Joint Committee on Capital Review (JCCR) by October 15 of each year for review.
- Allows the SFB to issue up to \$400 million in lease-to-own certificates for new school construction in FY 2002-2003.

*Facility Standards and Student Capacity*

- Prohibits a school district from reconfiguring grades without SFB approval if, within three years, the reconfiguration would result in the district falling below the adequacy guidelines related to square footage.
- Prohibits the SFB from adopting any changes to the minimum school facility adequacy guidelines through the end of FY 2003-2004, unless the changes would result in a cost savings to the State or are necessary to comply with building, health, fire or safety codes.
- Excludes excess square footage from being included in gross square footage for the purposes of calculating student capacity, if:
  - a) The excess square footage was built before July 1, 2002 or funded by class B bond, impact aid revenue bond or capital override approved by the voters after August 1, 1998 and before June 30, 2002 or funded from unrestricted capital outlay expended before June 30, 2002.
  - b) The excess square footage of either an expansion or new facility does not exceed 25 percent of the minimum square footage requirements.
- Requires excess square footage built after July 1, 2002 that is not excluded from student capacity calculation to meet minimum guidelines to be eligible for building renewal monies.

Upcoming School Facilities Board Meetings

Meeting Date	Agenda Deadline	Meeting Location
August 1, 2002	July 12, 2002	Estrella Foothills High School 13033 South Estrella Parkway Goodyear, AZ 85338
September 5, 2002	August 16, 2002	Congress Elementary 26400 South Tenderfoot Hill Rd Congress, AZ 85332